



# Participatory processes for whom?

## A critical look at Portugal in times of austerity

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### Introduction

Citizen participation in policymaking identifies a field of studies and practice concerning the engagement of civil society in public decisions. Initiatives of citizen participation spread around the world in the second half of the XX century to engage local communities in public discussions over planning, health, education, and other policy fields. Against this backdrop, however, the participatory budget implemented by the municipality of Porto Alegre, in Brazil, is considered a milestone. Citizen participation for the deliberation on a share of the municipal budget was realised in a context of sever socioeconomic cleaves and its main purpose was to enhance redistributive policies via local administration reforms in support of the participatory budget.

An increasing number of cities in the country and abroad looked at the initiative as an effective device for democracy. While the World Social Forums in the 2000s praised its goals of social justice and state reform, soon a new global narrative emerged and embodied citizen participation within the “new governance” agenda (EU, 2001; OECD, 2001). The main result of this operation was that social justice and state reform remained on the background of participatory budgeting in favour of goals for citizenry trust towards political representatives and institutions (Baiocchi and Ganuza, 2016). If, on the one hand, new governance-led citizen participation allowed private and social agents to sit around the same table for decision-making, concerns arose on power dispersion and invisibility of political and economic elites behind public decisions (Hajer, 2003).

From a critical point of view, citizen participation provided renewed legitimacy to public powers, which aimed to reduce the deliberation into the implementation of public measures, out of meaningful discussion over political agendas. Public measures were often focused on the improvement of local community life, in an attempt to depoliticise internal struggles among different groups (Miraftab, 2009). The success of the global narrative on citizen participation was paired by the massive production of official guidelines and toolkits by international and transnational agencies, reproduced by communities of decision-makers, practitioners, think tanks, and researchers in their localities. The “participation technology” often reduced methods for deliberation to collaborative brainstorming for consensus, unleashing social conflict via easy packaging of techniques (Leal, 2010).

Considering that more than one thousands participatory budgets are being run in Latin America, and in Europe over 1300 had been registered by 2012 (Sgueo, 2016), critical

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exploration on the role of participatory processes is needed, especially in contexts where the action of neoliberalism has dominated the public agenda. Focus on the massive implementation of local participatory processes in Portugal in the years of the austerity (2011–2014), aims to contribute to this topic. Towards this aim, the text describes the implementation of the austerity agenda and the dissemination of participatory processes in Portugal. Finally, the text discusses the relation between participatory processes and austerity to understand the extent to which these are reproducing neoliberal values.

### Austerity in Portugal

In 2010, the disruption of the sovereign debt crisis in Portugal affected an instable banking system and worsening trends of national economy. After pressures from the European Union on the national government to adopt austerity measures, eventually rejected by the Parliament in 2011, the Prime Minister José Socrates resigned. Consequently, the three major parties in the country (Socialist, Social-Democrat, and Popular parties) signed the Memorandum of Understanding on Specific Economic Conditionality (MoU) with the Troika (International Monetary Fund, European Central Bank, and European Commission) in March 2011. The €78 billion bailout package was provided to stabilise domestic finances and improve international competitiveness in order to regain a complete bond market access.

The narrative adopted by the national government during the implementation of the austerity agenda was characterised by strategies of shift-blaming towards previous governments and international lenders (Ferreira and Fonseca, 2015). This strategy allowed the government to pass harsh policies, otherwise difficult to be approved in “normal” times of democracy (Cardoso and Branco, 2017). Among the worsening effects under the austerity agenda, unemployment rate rose to over 15% in the second quarter 2012 and, according to OECD (2015), especially affected young people, whose unemployment rate rose to over 42% in the first quarter of 2013. Social and economic inequality showed sever growth with 60% of the unemployment considered in long-term unemployment (Rodrigues et al., 2016).

At the local level, MoU imposed goals of rationalisation (MoU, Q3–2011: reduction of local entities to enhance service delivery, improve efficiency, and reduce costs) and efficiency

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(MoU, Q2–2012: reduction of management positions and administrative units by at least 15% by the end of 2012). Troika also encouraged amending the New Urban Lease Act Law 6/2006 to balance rights and obligations of property owners and

tenants. In fact, according to EC, a large number of empty apartments in city centres were causing a substantial waste of capital as well as additional public costs and unemployment due to reduced geographical mobility of Portuguese society. The strategy for housing policies was to ease “rental control, strengthening ownership rights, simplifying judicial procedures and construction permits and modernising property taxes” (EC, 2014).

Some of the austerity measures were firmly opposed by the Constitutional Court and by national labour unions, contributing to put under a critical light both government and international lenders. Protests and strikes in 2011 and 2012 were largely supported by national corporative groups, labour unions, and political parties at the end of the left spectrum (Baumgarten, 2013). Their participation into protests, however, contributed to decrease their

perceived legitimacy as partners in political dialogue (OQD Report 2012). Economic recession and increase of poverty were aggravated by forms of growing alienation and disaffection from the political class perceived as corrupt and dishonest (De Sousa et al., 2014). As Lapa-vistas et al. (2012) summed up “[t]he mix of austerity and liberalisation within the eurozone has been harsh on working people but also dangerous for economy and society” (ibid., 113).

For different reasons, lenders largely criticised growing fatigue in the implementation of the austerity and the decrease of ownership showed by the national government, which peaked discontent among private actors, political parties at the opposition, and civil society. In June 2014, Portugal exited the adjustment programme, and in the parliamentary elections of October 2015, a new left-wing coalition between socialist, communist and left block parties took office. Government programme openly criticised the austerity measures, as the effects of the recession on socioeconomic conditions largely exceeded expectations.

### Citizen participation in policymaking in Portugal

Before the adoption of the austerity agenda, dissemination of participatory processes in Portugal had started in the early 2000s and massively increased in the last ten years. According to available data, the country owns today the highest rate of local participatory processes when considering the ratio between number of municipalities and processes. A recent search made by the author of this text in the national observatory ([www.portugalparticipa.pt/monitoring](http://www.portugalparticipa.pt/monitoring)) in August 2017, retrieved an overall of 186 ongoing practices, most of them participatory budgets implemented on the municipal scale.

The first experiences of participation drew great inspiration from Porto Alegre, as in Palmela in 2002, while the implementation of the participatory budget of Lisbon in 2007/2008 promoted a new institutional design, soon becoming dominant in the country until now. Participatory budgets are commonly designed as annual processes adopting co-decisional mechanisms, thus citizens are invited to both propose and vote public measures on a share of the municipal budget. They generally address goals for the recovery of citizenry trust towards democratic institutions, which has led both left and right wing parties to embrace citizen participation in local political agendas. Grassroots groups (e.g. groups of militants and activists) are not officially invited in these arenas. In fact, the target of participatory budgets are the citizens, who are invited – via public meetings and online tools – as individuals with power to propose and vote projects. The chance to see his/her project funded and implemented rely on his/her skills to campaign and create networks of support (i.e. people voting the project).

The mobilisation of citizens on behalf of specific projects reduces the potential of participatory budgets to provide spaces of political debate. Today, participatory budgets look more like a “competition of ideas”, rather than a shared practice of democracy (Dias, 2008). One of the risks behind the competition among citizens is the reinforcement of socioeconomic bias, as most disadvantaged sectors of society often lack resources to play on an equal ground (Hoppe, 2011). The increasing amount of unemployed and poor people in the years of the austerity, and their great distance from public life, raises concerns about their effective inclusion through this institutional design. Despite growing efforts to improve dissemination and accessibility to these arenas have been made by local governments, the self-organisation of networks seemed to contribute to the disenfranchisement of the most disadvantaged from participatory budgets. Furthermore, the lack of protesters, mainly militants and activists, seemingly prevented these arenas from meaningful debate on claims for social justice. Whereas the institutional design of participatory budgets did not provide formal space for

these groups to voice in, protesters also tended to use other channels than not government-led arenas, in contrast to what occurred in Spain (Baiocchi and Ganuza, 2016).

### Discussion and conclusions

Who needs participatory processes and, more pointedly, who needed those spaces during the years of austerity in Portugal? The Portuguese case is framed within the wider picture of citizen participation disseminating around the globe since the early 2000s. The shift from goals of social justice and state reform, to the recovery of citizenry trust towards political representatives and institutions was one of the most evident features of practices western democracies. As regards participatory budgets in Portugal, the little room for political debate in these arenas during the years of austerity is understood in light of this broader change occurred at the global level.

More pointedly, despite in some cases participatory budgets were enacted as a counter-measure to the substantive cuts on local budgets (cf. Green Paper on Local Administration Reform and Law 22/2012), their role cannot be reduced to that. Their dissemination before and after the austerity witnesses the success of these processes regardless those critical years. The little impact that participatory processes had in bringing within the arenas claims of social justice during the years of austerity was due to the conceptual and practical distance operated through their institutional designs from poor and powerless citizens, as well as from grassroots groups. As such, participatory budgets did not play any meaningful counteraction to austerity as deliberation rather focused on the collection of citizens' ideas to improve community life and their implementation.

The dissemination of participatory processes in the country should be praised for providing power of decision to civil society. While so, the global promotion of processes aimed at recovering citizenry trust towards political institutions and representatives has substituted and unleashed potentials of social conflict with goals of good governance. Further exploration of the institutional designs promoted within the historical process of transformation of citizen participation is needed to improve scholarly debate in this field of studies and practice.

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